



Staff Report

TO: City Council

FROM: Elizabeth Gibbs, City Manager
Darron Usher, Principal Management Analyst

DATE: August 19, 2025

SUBJECT: Approve a Compensation Increase to the Professional Services Agreement with Environmental Law Group LLP Varco & Rosenbaum (ELG) for Legal Consulting Services for a Total Not to Exceed Amount of \$220,000

Description: Request to approve an increase to the professional services agreement with ELG by \$70,000 to provide continued legal and consulting support related to the Fairway Canyon sewer mainline failure and subsequent environmental permitting, enforcement response, and insurance coordination.

Background and Analysis:

On March 3, 2025, the City experienced a significant sewer mainline failure in the Fairway Canyon community due to slope erosion behind homes on Hogan Drive. This resulted in a manhole collapse, a 15-inch sewer line failure, and a raw sewage spill. Emergency measures were immediately undertaken to address the public health threat. The City Council subsequently adopted a resolution on March 4, 2025, declaring a local emergency and authorizing emergency expenditures under California Public Contract Code Section 22050.

The City of Beaumont received a Notice of Violation from the Santa Ana Regional Water Quality Control Board (RWQCB) on May 7, 2025, regarding recent issues with site compliance and stormwater discharge. The notice highlights the need for immediate and ongoing legal support to ensure compliance with state water quality regulations and to avoid potential fines or enforcement actions.

On June 3, 2025, staff brought forth a proposal to retain ELG Varco & Rosenbaum, a law firm with expertise in municipal law, including environmental compliance, code enforcement, and nuisance abatement to address this and other specialized legal needs (Attachment A). This agreement allowed the firm to assist in reviewing the violation, provide legal counsel on response strategies, and represent the City in any required proceedings or negotiations with the Regional Water Board.

To date, the City has incurred \$148,011.65 in services from ELG, including:

- \$95,368.32 for environmental and permitting consultants
- \$48,743.33 for direct legal services
- \$3,900 related to responding to Mandatory Minimum Penalties (MMPs) issued by the Santa Ana Regional Water Quality Control Board

This additional increase in expenditures would provide continued support from ELG for:

1. Finalizing permits with the U.S. Army Corps of Engineers (ACOE), California Department of Fish and Wildlife (CDFW), and the RWQCB
2. Providing legal assistance in resolving regulatory matters and preparing insurance claim documentation

These continued services are expected to cost approximately:

- \$40,000 for finalizing permitting
- \$30,000 for legal and claims support

The insurance underwriter recently conducted a site visit and has requested photographs and cost documentation. City staff are coordinating to finalize that documentation.

Assuming no litigation by Coastkeeper or enforcement beyond current RWQCB MMPs, future legal and consulting costs are expected to decrease significantly. The City anticipates directly contracting with Tory Walker Engineering for the final design and with Rincon for mitigation monitoring, which will reduce ELG's scope as we progress.

Fiscal Impact:

This proposed increase amount of \$70,000 brings the revised total to a not-to-exceed amount of \$220,000. Expenses will continue to be charged to Account Nos. 100-1300-7068-0000S and 700-4050-7068-0000, depending on the nature of the services rendered.

The estimated cost to prepare this staff report is \$400.00.

Recommended Action:

Approve an increase of \$70,000 for the Professional Services Agreement with ELG Varco & Rosenbaum, for a total not-to-exceed amount of \$220,000 and;

Authorize the City Manager to expend the funds.

Attachments:

- A. Staff Report – June 3, 2025